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SUBJECT: NICARAGUA - VENEZUELA LETTER OF INTENT ON A
"PEOPLES NETWORK" FOR FOOD MARKETING

¶1. (SBU) Summary. As part of a series of Bolivarian Alternative agreements between Nicaraguan and Venezuela signed on January 11, 2007, the President of the Venezuelan Corporation for Food Marketing (MERCAL) and the President of Cooperative of Agricultural Services of Nicaragua (NICARAOCOOP) signed a Letter of Intent on creating a "peoples network" for marketing food. End Summary.

¶2. (SBU) A Letter of Intent between the La Empresa Cooperativa de Servicios Agropecuarios Nicaraao, R.L. (NICARAOCOOP) and Mercados de Alimentos (MERCAL, SA) was one of a series of Thirteen commitments with Venezuela negotiated by the Ortega government before it came to power on January 10, 2007. NICARAOCOOP President Moises Lopoez Vizuete and MERCAL President Felix Osorio Guzman signed the letter on January 11, 2007, the substance of which, along with the other commitments, was kept from the public for weeks, although the Embassy managed to obtain an unsigned copy. This cable reports on the substance of this particular Letter of Intent.

Preambular Language

¶3. (SBU) Relatively extensive preambular language in the letter states that the two parties are motivated by the will to form closer ties of friendship and brotherhood between the two countries and their people. The fight against poverty and the social exclusion, as a fundamental priority, requires joint plans and projects for the benefit of both countries. The parties are determined to deepen cooperative relations as well as Latin American and Caribbean social and economic integration with a view to encouraging political integration as a strategic option. Both parties are committed to create material and social conditions to fulfill millennium goals, and to deepening strategic alliances and economic complementarity in the framework of promoting fair trade and "multipolarity." Both parties reaffirm their will to strengthen integration, understanding that it is a gradual and progressive process through which nations voluntarily take joint decisions. This language is the same that which is found in the Letter of Intent between LA CASA and ENABAS concerning Nicaragua's food supply system (septel).

Intentions

¶4. (SBU) The substance of the letter involves MERCAL sending a technical commission to Nicaragua to advise NICARAOCOOP on the structure, logistics, and operations to implement a "peoples network" for the marketing of agricultural products. The parties pledge to cooperate on this technical advisory, and to negotiate the terms of technical cooperation in this area.

Duration and Termination

15. (SBU) The letter shall be effective for one year from the date of signature, unless the parties decide in writing to extend or terminate it. Termination will become effective thirty days thereafter, but not affect ongoing activities, programs, or projects unless so stated by the parties.

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